Why Am I Being Asked So Many Questions About My Money?

A First-Time Buyer's Guide to Source of Funds Checks

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Having enough money for your deposit is only part of the job. Your estate agent, solicitor, lender or mortgage broker may also ask where it came from. When you have already handed over identification and bank statements, another round of questions can feel intrusive. The point, however, is that showing the money exists is not the same as explaining how you got it.

A statement showing £30,000 in your account proves that you have £30,000. It may not show whether you built it up from your salary, received it as a gift, inherited it, sold an investment or moved it from another account. The checks are meant to follow that trail and see whether the explanation matches the paperwork.

Why different firms may ask similar questions

One of the most frustrating parts of buying a home is being asked for the same sort of documents more than once. You may send statements to your broker, only to receive another request from the estate agent and a more detailed one from your solicitor.

It can look like pointless duplication, but the businesses involved do not all have the same job. Each is responsible for its own checks, and each may be looking at the same document for a different reason.

The estate agent

The estate agent may ask for identification and evidence that you can afford to proceed. It must also carry out anti-money-laundering checks. In practical terms, that means considering whether the way you are funding the purchase fits what it knows about you and the transaction. If the funding changes or money appears from an unexpected third party, it is likely to ask more questions.

The solicitor or conveyancer

Your solicitor or conveyancer will usually ask the most detailed questions. It is handling the legal work and will be moving money through its client account. Property transactions are considered high risk for money laundering, so stating that the money is already in a UK bank account may not be sufficient. The firm must decide how far it needs to go, based on you, the transaction and any risks it has identified.

The lender and mortgage broker

Your lender may ask about the deposit to check affordability, prevent fraud and confirm that the proposed funding meets its criteria. It will want to know, for example, whether money described as a gift is really a loan that must be repaid.

Your broker sits in a slightly different position. Mortgage brokers are not covered by the Money Laundering Regulations in the same way as banks, solicitors and estate agents, but they must still have controls to prevent financial crime. They may also need your deposit evidence for the lender or because it affects your application. Sending it to your broker does not mean the other firms can simply rely on the broker's checks.

Proof of funds and source of funds are different

Proof of funds answers the immediate question: do you have enough money to proceed? Source of funds asks how you obtained the money for this purchase.

The difference becomes clearer when a large sum has recently been credited to your account. A statement may show a £20,000 transfer, but not where the person sending it got the money. The firm may ask for earlier statements, evidence of an inheritance, papers from an asset sale or information from the person giving you the money.

This should not turn into an investigation of every part of your financial life. The questions should match the level of risk. A deposit built up through regular saving will usually be easier to explain than money that has recently passed through several accounts or arrived from an unidentified third party.

Why gifted deposits attract more questions

A gift from a parent or another relative may feel completely ordinary. The lender and solicitor will still need to know who is providing the money, whether it is genuinely a gift, whether it must be repaid and whether the donor expects any interest in the property.

They may also ask for evidence of how the donor obtained the money. This is often the awkward part. A parent who is not buying the property may be taken aback by a request for identification or bank statements. The request is not, by itself, an accusation. The firm is trying to establish that the gift has a legitimate source it can understand.

Ask what the lender and solicitor require before the money is transferred. Some lenders use their own gifted-deposit form or insist on particular wording. A letter created after the event may cause delay if it does not answer the necessary questions.

What is likely to prompt further enquiries?

None of the following automatically means that anything is wrong, but each can make the money trail harder to understand:

- large cash deposits without a clear explanation
- money moved through several accounts shortly before the purchase
- a deposit or contribution from somebody who has not previously been mentioned
- overseas funds without supporting statements or transfer records
- a gifted deposit described differently to the broker, lender and solicitor
- screenshots that do not show the account holder, full transaction history or statement period
- a late change to the amount or source of the deposit

What causes trouble is often not the source itself but the gap between the explanation and the paperwork. If you say the deposit came from savings but the statement shows a recent lump sum from somebody else, the firm will need to find out what happened.

How to prepare without creating more confusion

Start organising the evidence before you make an offer. Keep complete statements showing how the deposit accumulated, and retain documents related to any inheritance, investment withdrawal, property sale, or family contribution.

If you move money between your own accounts, keep statements for both accounts involved in the transfer. If funds are coming from overseas, retain the foreign statements, the transfer record, and evidence of how the money was originally acquired. If part of the deposit is a gift, tell your broker and solicitor early and check exactly what they need from the donor.

Most importantly, give the same account of the funding to everyone involved. A late or inconsistent explanation can lead to a revised mortgage assessment, additional legal work, or a delay near exchange or completion. A legitimate source does not prevent problems if the documents do not clearly show the route the money took.

What happens if the checks cannot be completed?

If a firm cannot understand the money trail, it may pause the transaction and request more evidence. Your solicitor may be unable to continue acting or accept the purchase money until it is satisfied. Staff cannot always tell you everything behind an enquiry, particularly if there is a concern about financial crime. They should, however, normally be able to tell you what documents they need and what those documents must show.

Being asked questions does not mean that you are suspected of wrongdoing. It does mean the answer must be supported by more than an unexplained balance on a bank statement.

The simplest way through

There is no magic phrase that makes source of funds checks disappear. What helps is paperwork that tells one clear story. Keep full statements, retain evidence of significant payments, disclose gifts and changes early, and ask what will be needed before you transfer money.

The checks are there to stop criminal money being used to buy property. In practice, a buyer with a perfectly legitimate deposit can still be delayed if the trail is unclear. Sort it out early, while there is still time to answer questions without putting exchange or completion at risk.

Sources and further reading

- HM Revenue & Customs, Anti-money laundering guidance for supervised businesses: estate agency businesses, updated July 2026.
- HM Revenue & Customs, Source of Funds and Source of Wealth guidance, updated July 2026.
- Solicitors Regulation Authority, Thematic review of source of funds and source of wealth compliance, November 2025.
- Financial Conduct Authority, Money laundering and terrorist financing, section ‘Brokers and insurers’.